

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6736

BILL NUMBER: HB 1267

NOTE PREPARED: Jan 12, 2014

BILL AMENDED:

SUBJECT: Consolidation of Township Governments.

FIRST AUTHOR: Rep. Negele

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: This bill has the following provisions:

Consolidated Township: The bill provides that on January 1, 2019, in all counties (except Marion County) all townships are consolidated into a single township (consolidated township).

Township Offices: On January 1, 2019, in all counties (except Marion County) the offices of township trustee and township board of the former townships are eliminated and their powers, duties, and responsibilities are transferred to the offices of township trustee and township board of the consolidated township.

It provides that at the 2018 general election and every four years thereafter: (1) a three member township board is elected at large to serve as the legislative and fiscal body of the consolidated township; and (2) a township trustee is elected to serve as the executive of the consolidated township.

Transfers: It transfers assets, debts, property rights, equipment, records, personnel, and contracts of the eliminated townships to the consolidated townships.

Budgets: The bill provides that for budgets of the consolidated townships adopted for 2019 and thereafter: (1) the township's budget, property tax levies, and rate must be reviewed and approved by the county fiscal body; and (2) the county fiscal body may reduce and modify but not increase the budget in formulating the final proposed township budget, levies, and rate.

Area of Levy: The bill provides that: (1) the consolidated township may levy property taxes to pay township indebtedness or lease rental obligations incurred by an eliminated township only in the geographic area of

the eliminated township that originally issued the debt or entered into the lease rental agreement; and (2) the territory of the eliminated township comprises a taxing district for the purpose of paying the indebtedness or obligation.

It allows the consolidated township to levy taxes for the payment of pension debt and obligations only within the boundaries of the eliminated township that incurred the pension debt and obligations.

Transition Board: The bill establishes a transition board (board) in each county (except Marion County) on July 1, 2016, that consists of all township trustees in the county. It provides that a member of the county executive: (1) serves as the board's chairman; and (2) may vote only to break a tie.

It requires the board to do the following:

- (1) Not later than January 1, 2018, propose uniform township assistance standards (standards) for the consolidated township.
- (2) Not later than July 1, 2018, propose a township assistance plan for the delivery of township assistance services to the consolidated township consistent with the uniform standards.
- (3) Not later than July 1, 2017, adopt a fire protection and emergency services plan (fire plan) for the provision of fire services to the unincorporated area of the consolidated township, which must be approved by the county legislative body.
- (4) Propose a 2019 budget for the consolidated township.

Alternate Plan Adoption: The bill provides the following:

- (1) Requires the Department of Local Government Finance (DLGF) to adopt the standards and township assistance plan if the board fails to fulfill the board's duties.
- (2) Requires the county legislative body to adopt the fire plan if the board fails to fulfill the board's duties.
- (3) Requires the Division of Fire and Building Safety of the Indiana Department of Homeland Security to adopt a fire plan if the county legislative body fails to fulfill the county legislative body's duties.

Fire Protection: The bill allows a consolidated township to provide fire protection and emergency services in the unincorporated areas of the township through any combination of: (1) operating a consolidated township fire department; (2) contracting with or otherwise cooperating with any municipality, county, fire protection district, volunteer fire department, fire protection territory, or other entity; or (3) entering into mutual aid agreements.

Township Assessor: The bill provides that an elected township assessor continues to be elected and perform the assessor's assessment duties within the geographic boundaries of a township that is eliminated on January 1, 2019.

Fire Protection Territories: The bill provides that on January 1, 2019, a consolidated township assumes the powers and obligations of an eliminated township that was a participating unit in a fire protection territory.

Township Assistance Claims: It allows the township trustee of a consolidated township to pay township assistance claims in advance of a township legislative body allowance.

Department of Local Government Finance: It requires the DLGF to: (1) prepare an annual report regarding

each township and post the report on the DLGF's Internet web site; and (2) post the first report not later than July 1, 2015, and the last report not later than July 1, 2018.

Repeals: The bill repeals statutes regarding the division of counties into townships and township merger and dissolution of a township merger.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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